



Memorandum

TO: COYOTE VALLEY SPECIFIC
PLAN TASK FORCE

FROM: Sal Yakubu

SUBJECT: SUMMARY OF GREENBELT
MEETING #4 ON 9/7/05

DATE: October 11, 2005

Approved

Date

Property Owners and Representatives Present:

Ana Angulo, Miguel Angulo, Kerry Carlson, Wai Fong Chan, Consuelo Crosby, Jo Crosby, Jack Faraone, Eric Flippo, Lisa Flippo, Evelyn Guess, Janet Herbert, Paul Herbert, Daisi Hoang, Xay Hoang, Jerry Hoefling, Virginia Holtz, Peter Jensen, Jack Kent, Sung Lee, Ted Leung, David M., Chris Marchese, Siu Lum Mok, Siu Wah Mok, Wing Mok, Pravin Patel, Dan Perusina, Robert Sakaue, Mike Salewske, Russ Satake, Beverly Stewart, George Stewart, Wayland Tam, Lieu Tran, Sherry Yang, and Guo Yuan.

Task Force Members Present:

Co-chair Councilmember Forrest Williams, Supervisor Don Gage, Eric Carruthers, and Ken Saso.

Technical Advisory Committee Members Present:

Michele Beasley (Greenbelt Alliance), Shanna Boigon (SCCAOR), and Rebecca Van Dahlen (SCCAOR).

City and Other Public Agency Staff Present:

Keith Stamps (Council District 2), Laurel Prevetti (PBCE), Sal Yakubu (PBCE), Sylvia Do (PBCE), and Perihan Ozdemir (PBCE).

Consultants Present:

Doug Dahlin (Dahlin Group), Roger Shanks (Dahlin Group), Stephanie Chang (Dahlin Group), Jim Thompson (HMH Engineers), and Eileen Goodwin (Apex Strategies).

Panelists Present:

Jim Musbach (Economic and Planning Systems), Bill Shoe (Santa Clara County Planning), Tedd Faraone (Coyote Valley Alliance for Smart Planning), Don Gralnek (Silicon Valley Land Conservancy), Trixie Johnson (Friends of the Greenbelt), and Reggie Knox (FarmLink).

1. Welcome and Agenda Review

Eileen Goodwin, with Apex Strategies, welcomed everyone to the fourth Coyote Valley Specific Plan (CVSP) Greenbelt meeting. A show of hands indicated that two people have not attended a Greenbelt meeting before.

Eileen introduced Councilmember Forrest Williams, co-chair of the CVSP Task Force. Councilmember Williams welcomed everyone to the meeting. He thanked the panelists for participating in the meeting and sharing their experiences. He stated that the meeting was an opportunity for community.

Eileen reviewed the meeting agenda, and stated that its purpose was to continue to generate and explore ideas for the preservation of the South Coyote Valley Greenbelt. The format of this meeting differed from previous Greenbelt meetings since it featured a panel discussion. She encouraged the audience to participate by asking questions and providing comments.

2. Background and Introduction

Laurel Prevetti, Deputy Director of the Planning, Building and Code Enforcement (PBCE) Department, explained that this meeting would be different since it would explore a variety of perspectives and ideas for the Greenbelt preservation at a greater depth than in the past.

Eileen invited each panelist to provide an opening statement:

- Jim Musbach introduced himself a real estate economist with Economic and Planning Systems (EPS), the economic consultant for the CVSP. He has extensive experience with agricultural and open space preservation in south Livermore, Morgan Hill, Solano County, Napa County, and Sonoma County. His primary role is to determine how South Coyote Valley Greenbelt preservation would be financed and implemented, and to establish linkages between North and Mid-Coyote Valley with the Greenbelt.

- Don Gralnek introduced himself as president of the Silicon Valley Land Conservancy (SVLC), formerly known as the Land Trust of Santa Clara County. SVLC is a non-profit organization active in land conservation efforts, primarily in agricultural land protection in South County. SVLC works with those interested in the long-term preservation of agricultural land, assists willing property owners in purchasing conservation easements, and manages conservation easements. Don clarified that SVLC has no regulatory or taxation powers, or eminent domain authority.
- Tedd Faraone introduced himself as a member of the Coyote Valley Alliance for Smart Planning, an organization comprised of a number of South Coyote Valley property owners. He is also a member of the CVSP Technical Advisory Committee (TAC). Tedd indicated that there are two problems with the City's approach towards development in Coyote Valley: process problems and outcome problems. Tedd explained that there are process problems regarding community input, expected outcomes, land use, and politics. The City fails to act upon community input and limits its findings to predetermined expected outcomes. According to the City's own research, land in North and Mid-Coyote Valley is better suited for agricultural uses, whereas land in South Coyote Valley is not. Furthermore, over 50 percent of the properties south of Palm Avenue are 2.5 acres or less. San Jose residents who do not live in Coyote Valley approved Measure K, while Coyote Valley property owners and residents did not have a say in the matter. Tedd identified outcome problems regarding subsidized farming and public access. He asked why the City would like subsidized farming in an area that is not suitable for agricultural uses and why the City would encourage farming in a place that long established farmers have proven not to be suitable for agriculture. Tedd stated that there will not be public access in the area since South Coyote Valley is private property.
- Reggie Knox introduced himself as the Central Coast coordinator for California FarmLink. The non-profit organization promotes family farming and farmland conservation in California by linking aspiring farmers with experienced and retiring farmers, and promotes techniques and disseminates information that facilitate inter-generational farm transitions. Reggie indicated that Coyote Valley is a desirable area for small-scale farmers who rely on direct marketing through techniques such as community supported agriculture and farmers' markets. If the community is interested in preserving land for agricultural uses, FarmLink can help facilitate this.
- Bill Shoe introduced himself as a principal planner for the Santa Clara County Planning Office for comprehensive planning, South County planning, zoning administration and geographic information systems (GIS) services.
- Trixie Johnson introduced herself as a member of Friends of the Coyote Valley Greenbelt (FROG), an environmental organization with approximately 100 members. FROG's primary mission is to ensure that South Coyote Valley becomes a real and viable greenbelt.

Laurel explained that the City's General Plan has designated South Coyote Valley as a greenbelt since the mid-1980s. The Greenbelt serves as a permanent, non-urban buffer between the cities of San Jose and Morgan Hill. The City Council initiated the CVSP process in August 2002. Since then, the CVSP Task Force has reviewed Coyote Valley's existing conditions and developed land use concepts. The CVSP is currently in the process of preparing an Environmental Impact Report (EIR), completing fiscal impact studies, and refining the Greenbelt Strategy. It is anticipated that the CVSP would be submitted to the Council for consideration in 2006. Laurel indicated that of the Council's vision and expected outcomes statement for Coyote Valley contains 16 expected outcomes, four of which are relevant to South Coyote Valley:

1. CVSP includes North- and Mid-Coyote Valley for land planning and South Coyote Valley only for infrastructure financing.
2. Boundary between Mid- and South-Coyote Valley is fixed.
11. The CVSP must be financially feasible for private development.
14. The CVSP should facilitate permanent acquisition of fee title or conservation easements in South Coyote Valley.

Laurel said that the Greenbelt Strategy creates a framework to create and sustain a rural environment that supports natural resource protection and restoration, accessible open space, conserves agricultural uses, and retains rural residential home sites. The strategy framework consists of three principal elements: regulatory framework, organization/operations, and financing. Laurel also explained the Greenbelt Strategy's seven assumptions and principles. The Greenbelt research report prepared by Sibella Kraus of Sustainable Agriculture Education (SAGE) is available on the CVSP website.

3. Preserving the Greenbelt

Eileen asked the panelists for their reaction to the conceptual CVSP Greenbelt Strategy, which was previously distributed to the panelists, and how each of their respective organizations or agencies can play a role in preserving the Greenbelt.

- Jim Musbach emphasized that the CVSP can neither remove any existing development rights nor purchase development rights. Rural and semi-rural home sites located in close proximity to metropolitan areas are valuable. Greenbelt property values would be enhanced as a result of the Plan. Property values would be market-based. Jim clarified that conservation agencies focus on creating easements or buying land to preserve long-term agricultural uses, not purchasing development rights.
- Tedd Faraone indicated that Greenbelt property owners do not have control over their own destiny. He understands that land values will increase, but more value would be created through subdivision. He suggested that a quarter of each property's increased value could be given to the city to acquire open space. Tedd stated that Greenbelt property owners are not opposed to development north of Palm Avenue.
- Don Gralnek of the Silicon Valley Land Conservancy (SVLC) indicated that the variety

- of policies in the conceptual Greenbelt Strategy could result in a win-win situation. The SVLC is interested in its own area of expertise. The agency is a small organization and does not have the capacity to do soil tests and other evaluations for viability of agriculture in this area. The SVLC could help facilitate people coming together.
- Trixie Johnson explained that FROG is not an expert in agriculture, but is an advocate for preserving the Greenbelt. There needs to be an upgrade to sustainable small-scale agriculture. Urban edge agriculture is very important for California in conjunction with new growth in the State. Coyote Valley could be a model where sustainable agriculture is developed adjacent to the City. Small parcels could be aggregated into larger parcels that could then be used for agriculture. Although a new entity does not need to be created to manage the Greenbelt, an existing entity must be responsible and accountable. A Joint Powers Authority (JPA) could also be created to manage the Greenbelt. FROG is less concerned about creating an aesthetic Greenbelt than making sure it works. The Greenbelt's uncertainty would be resolved by the CVSP.
 - Bill Shoe explained that the County determines land use designations for areas within the Greenbelt that fall within the County's jurisdiction. The County's 30-year-old growth management policy limits rural development to low-density uses and precludes urban densities and development policies and strategies for Coyote Valley are the same as other rural areas in the County. If the County's Board of Supervisors gave the County Planning Office direction to review current policies and permitting procedures, then staff could do so. Ideas for acquiring land in the Greenbelt hinge on adequate funding. The County does not have funds for purchasing land or agricultural easements. Money is needed prior to creating an entity to manage the Greenbelt. The County could work with the City to explore the availability of funds and other potential grant money. Bill does not expect the entire Greenbelt to have agricultural uses. Residential uses would most likely be the primary use of the land. Although residential uses exist throughout the County, the County has adopted a Right-to-Farm ordinance to reaffirm that agriculture is a permitted use by right. Bill indicated that the most significant interface would be at Palm Avenue between higher-density urban uses to the north and agricultural uses and lower density residential uses to the south.
 - Reggie Knox indicated that diversification does well in small-scale farming. Techniques such as farmers' markets and farm-to-school programs could be used to promote agricultural businesses. Reggie discussed other marketing examples such as the Mission Market in Montana, the "buy fresh, buy local" campaign, and the Capay Valley Vision branding of Capay Valley products.
 - Reggie suggested contacting Jo Ann Baumgartner, director of Wild Farms, regarding mixing agricultural uses with wildlife habitat. He indicated that maintaining the riparian corridor is critical. Hedgerows could be established on farms to provide wildlife habitat. Reggie suggested creating patches of habitat for larger animals in addition to forming wildlife corridors.
 - Trixie Johnson stated that the Santa Clara Valley Habitat Conservation Plan/Natural Communities Conservation Plan (HCP/NCCP) is underway in the county under the auspices of the City, County and other partner agencies. The HCP/NCCP could impact Coyote Valley and address issues such as the wildlife corridor.

4. Other Questions and Comments

- The CVSP will put Monterey Mushrooms out of business. The business generates revenue of \$35 million per year. Monterey Mushrooms has 350 farm workers with good pay, full benefits, and year-round jobs, and are concerned that the planned trails along Fisher Creek would impact their operation. They are also concerned that the Greenbelt Strategy overly promotes small-scale agriculture to the detriment of other agriculture-related uses. *Laurel stated that the Greenbelt Strategy was a work in progress. The document will be revised to acknowledge the breadth of agricultural industries this plan intends to embrace.*
- Has not heard any new information. Does not see their concerns being addressed. Has 20 acres located on the south side of Palm Avenue. Asked Reggie to find someone interested in farming his land a year ago, but that has not happened. Indicated that his neighbor sold three acres at \$400,000 per acre. Development north of Palm Avenue will impact his property. His property is currently being impacted and it will only get worse. Greenbelt property owners need a voice. The CVSP is too radical. Asked the County to do something for the property owners.
- What is the fair market value based on? *Jim explained that "fair market value" is the value that the market will pay for the land or easement being purchased. Parcels with development potential are worth a lot more than parcels that only permit agricultural uses. Jim clarified that the CVSP will not dictate land values.*
- Will the City impose eminent domain? \$10,000 per acre seems grossly unfair. *Laurel indicated that the City has no intention of imposing eminent domain.*
- Greenbelt property owners do not have representation in the process.
- Sharecropping is a ridiculous idea. Need a strategy that makes sense. Should allow property owners to subdivide their land. Farming does not make sense and will not work.
- The odor coming from Monterey Mushrooms is undesirable. Ideas seem to be short-term; need long-term goals. Would like to see equestrian trails connecting the Greenbelt to the area north of Palm Avenue. Does not want to change the existing zoning or land uses. Suggested a way to promote small-scale agriculture: Allow property owners to invest their money in agriculture in lieu of paying property taxes. The Williamson Act only applies to parcels with 100 acres or greater. It is becoming increasingly difficult to comply with that.
- What will the \$15 million estimated for Greenbelt preservation be spent on? Who will pay for it? *Jim explained that the \$15 million figure is a preliminary estimate of what might be allocated from North and Mid-Coyote Valley development for Greenbelt acquisition. This is a placeholder figure since these are market-driven transactions. Assumed that 1,500 acres could be purchased for agricultural easements at \$10,000 per acre. The \$10,000 figure is a placeholder figure, not a set land value. Any future transactions would be between willing buyers and sellers.*
- Is the \$10,000 per acre accurate? *Jim explained that parcels without development potential are worth less than parcels with development potential.*

- How was the \$15 million figure established? *Jim indicated that he looked at parcels without development potential.*
- The minimum lot size for prime agricultural land under the Williamson Act is 10 acres; the minimum lot size for non-prime agricultural land is 40 acres. Prime agricultural land is generally on the valley floor, whereas non-prime agricultural land is on the hillsides. Estate homes are very popular now.
- The way CordeValle in San Martin has been developed is a good idea. These are estate homes co-located with vineyards. Greenbelt property owners are sitting on a gold mine. Need a better transition between the proposed high-density development and the agricultural area. *Doug Dahlin, with Dahlin Group, explained that existing estate homes on the north side of Palm Avenue will help create a transition from high-density urban development to rural land uses. The Greenbelt may include a wildlife corridor, orchards, and aquifer recharges to further facilitate this transition. Doug indicated that larger acreages could be created through consolidation.*
- Would like to see a cost analysis for non-easement agricultural uses and rural residential uses.
- Has been attending CVSP meetings for four years. Does not hear any new information. How can the City regulate the Greenbelt if it does not plan to provide urban services south of Palm Avenue? Would like one-acre lots for homes. Does not want to be part of San Jose. *Bill explained that the County determined over 30 years ago that one-acre lots do not reflect rural land use and development patterns. It is unlikely that the Board of Supervisors will change this policy to allow one-acre lots. This policy applies to all rural areas outside of cities, not just Coyote Valley.*
- Bought land in 1976 and was not informed that the property was located in the City. Would like to sell their land, but does not know what the City is planning for the area. The plan is ambiguous and needs to be cleared up before the next meeting.
- Has been hearing the same information. Soil in the Greenbelt is not suitable for agriculture. The water quality is questionable. A market does not exist in Coyote Valley. There are high labor costs. Cannot attract labor into an area with one of the highest renter markets in the country. Greenbelt property owners have no voice and are not being represented.
- The Coyote Valley Alliance for Smart Planning has about 100 members. All but one of its members are Coyote Valley property owners. How many FROG members are Coyote Valley property owners? *A few FROG members are Coyote Valley property owners. The purpose of FROG is not to represent Greenbelt property owners, but to preserve the Greenbelt. \$15 million is not enough to mitigate Coyote Valley development and the loss of agriculture in the north area. FROG can help bring money to the table.*
- It is not the will of the community to engage in small-scale agriculture. Does not think a wildlife corridor and agriculture would mix. It is unlikely that vineyards in Coyote Valley will be profitable.
- A two-acre property on San Bruno Avenue with no home developed on it recently sold for \$600,000 per acre. *Jim explained that the high figure corresponds to the ability to build a home on the property, whether it has an existing home on it or not.*
- Would create more value if property owners could subdivide their land into one-acre lots.

Jim stated that the CVSP does not change any existing development policies or development potential. This County established this policy over 30 years ago. The policy is not a result of the CVSP.

- Would do CordeValle, but cannot obtain approval from the County. Density creates value. The County needs to come up with a solution. Residential development and farming do not mix well.
- Farmers need commitment for 5 to 10 years. If the land is being farmed, the property cannot be sold. Should allow property owners to subdivide their land.
- Grape growers need to spray every ten days between February and June for powdery mildew. The average parcel size in the area south of Palm Avenue and west of Monterey Road is about 2.5 acres. There will not be any public access through estate homes. Cannot make a living with a \$1 million 2.5-acre farm. *Reggie stated that the California FarmLink assists people with 5 to 20 acre parcels. 2.5 acres is not enough unless multiple smaller parcels are aggregated.*
- Family has owned property in the Coyote Valley since 1927. The property was annexed into the City in 1958, but still has not received urban services. Knows the frustration of Greenbelt property owners. Funding sources also need to come from outside of Coyote Valley.
- Tedd submitted a petition with signatures of Coyote Valley Alliance for Smart Planning members interested in one-acre parcels to Councilmember Williams.

5. Next Steps/Close

Laurel thanked the panelists and audience for participating in the meeting. She asked property owners to continue to stay involved in the CVSP process. The refined Greenbelt Strategy will be presented to the Task Force at a future meeting.

The meeting was adjourned at approximately 9:00 p.m.